

MICHAEL HUCKABEE  
GOVERNOR

MICHAEL B. JOHNSON  
COMMISSIONER



HERITAGE WEST BUILDING, SUITE 300  
201 EAST MARKHAM STREET  
LITTLE ROCK, ARKANSAS 72201-1692  
TELEPHONE: (501) 324-9260  
FACSIMILE: (501) 324-9268

## ARKANSAS SECURITIES DEPARTMENT

TO: All Broker-Dealers  
FROM: Broker-Dealer Section  
DATE: May 15, 1998  
RE: Principal Designation Letter

1. Every applicant / registered broker-dealer must provide a Principal Designation Letter (reverse) to designate the individual(s) who will be registered principal(s) for the firm in Arkansas
2. Qualifications
  - A. Principals must pass both the representative's and principal's securities knowledge exams (accepted by this Department) for the type of business conducted by the broker-dealer;
  - B. Principals must be registered in their state of primary residence;
  - C. Principals must be registered as an agent in Arkansas through the CRD system;
  - D. Principals must be designated by another individual on a properly executed principal designation letter (reverse) which may be copied or retyped.
3. Designation Letter
  - A. The designation individual must be listed on Form BD, Schedule A, currently on file with the Department or CRD. The principal does not have to be on Schedule A.
  - B. If the principal is a sole proprietor, or a sole shareholder and sole officer, the principal may designate him/herself. In all other cases the designating individual must be someone other than the principal.
  - C. The designating officer and the principal must sign the designation letter in the appropriate spaces.

TO: Mr. Michael B. Johnson, Commissioner  
Arkansas Securities Department

\_\_\_\_ ("Principal") as the individual who has direct supervision  
( PRINCIPAL'S NAME )

\_\_\_\_\_. This individual, as Principal, has full and continuing authority  
(BROKER-DEALER NAME)

(I) DESIGNATING BY: \_\_\_\_\_  
 \_\_\_\_\_ (Designator's Signature)  
 TITLE: \_\_\_\_\_  
 DATE: \_\_\_\_\_

(2) ACCEPTED BY: \_\_\_\_\_  
( PRINCIPAL'S SIGNATURE )

TITLE: \_\_\_\_\_

DATE \_\_\_\_\_